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Established in 1978 by DAVID PACKARD February 9, 2015

Mary Nichols, Chairman California Air Resources Board 1001 I Street, PO Box 2815 Sacramento, CA 95812

Re: Support for LCFS

Dear Chairman Nichols and Members of the Air Resources Board:

On behalf of the Board of Directors and member companies of the Silicon Valley Leadership Group, I am writing to offer our support of the California Air Resources Board's continued leadership on our state's pioneering climate policies and to urge the swift re-adoption of the Low Carbon Fuel Standard (LCFS). The Silicon Valley Leadership Group, founded in 1978 by David Packard of Hewlett-Packard, represents almost 400 of Silicon Valley's most respected educational institutions and high-tech, bio-tech, and clean-tech employers; our members collectively provide nearly one of every three private sector jobs in Silicon Valley.

We support the LCFS and believe it is an important component of the state's overall strategy to reduce greenhouse gas and other harmful air emissions and drive clean tech innovation. Further, we believe that continuing the transition to lower carbon transportation fuels helps:

- Diversify the state's fuel supply mix and drive innovation. From 2011 to 2013 alternative fuels comprised a steadily increasing share of transportation energy use in California and the clean fuels market has grown faster than anticipated.
- Save consumers money. Introducing choice in the market drives competition which will help California households save money on their transportation fuel bills. This is complemented by other policies such as more fuel efficient cars and mass transit.
- Improve air quality. The LCFS has already cut carbon emissions by about 9 million metric tons, the equivalent of removing almost 2 million passenger cars from the road each year.
 By 2020, it is estimated the LCFS can help reduce emissions by 35 million metric tons, the equivalent of removing about 7 million passenger cars from the road per year.
- Improve public health. It is estimated that the LCFS will result in \$1.4 to \$4.8 billion in societal benefits by 2020, accruing from reduced air pollution. The benefits could be even greater, \$10.4 billion by 2020 and \$23.1 billion by 2025, when other state fuels policies are included.
- Secure California's cleantech market leadership. California has approximately 40,000 businesses serving advanced energy markets, employing roughly 431,800 people. It is estimated that the LCFS could contribute up to 9,100 new jobs, and potentially many more if the state continues to attract more clean fuel providers.

We believe that there is a strong business case for clean fuels, and that clean air and a growing economy go hand-in-hand. We applaud your leadership and urge you to re-adopt the LCFS.

Sincerely,

Mike Mielke Senior Vice President, Environment and Energy Silicon Valley Leadership Group 408-501-7858 CC: Governor Jerry Brown Senate President pro Tempore Kevin DeLeón Assembly Speaker Toni Atkins

i UC Davis, Status Review of California's Low Carbon Fuel Standard, July 2014

V ICF International (2014).

vii Advanced Energy Economy Institute, California Advanced Energy Employment Survey, December 2014

ICF International (2014).

¹ ICF International, California's Low Carbon Fuel Standard: Compliance Outlook & Economic Impacts, April 2014

iii NRDC Fact sheet. 9 MMT reduced. Calculated from http://www.epa.gov/cleanenergy/energy-resources/calculator.html

ARB ISOR estimates 35 MMT from the LCFS alone. In combination with other fuel and vehicle standards, the program is expected to result in 63 MMT. Calculated from http://www.epa.gov/cleanenergy/energy-resources/calculator.html

American Lung Association in California and Environmental Defense Fund. *Driving California Forward*, May 2014